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## **Senate passes MEGA extension to keep Michigan competitive for creation and retention of jobs**

**Lansing** – The state Senate today ensured that Michigan will continue to be competitive in luring new businesses, as they overwhelmingly approved the reauthorization of the Michigan Economic Growth Authority Act.

“MEGA is one of Michigan’s key job creation and retention tools,” said Sen. Valde Garcia (R-Howell), a sponsor of the legislation. “By reauthorizing this program, we are making sure that Michigan can compete with other states and foreign countries to bring jobs to our state and keep them here.”

The MEGA program operates by offering qualifying companies Single Business Tax credits if they locate or expand their operations in Michigan.

The reauthorization of the act was made possible by implementing a four-bill package that extends the program’s expiration date, provides additional oversight tools, and improves the credit-granting ability of the program, especially for high-tech businesses.

A major change to the program allows tool & die and high-tech companies to obtain MEGA credits. Other changes clarify the definition of an “affiliated business” and alter the criteria for the MEGA credits for job expansion and retention. These changes will expand the number of businesses eligible for MEGA credits.

Senate Bills 820-822 and 824 now go to the House of Representatives for approval.

The program was set to expire Dec. 31, 2003, but approval of the package will extend the program until Dec. 31, 2009.

One of the major economic incentives used by Michigan to attract business growth, MEGA is one of the main programs in the nine-point Republican “Job Opportunities for Business Success” plan.

Garcia was the co-chair of the task force charged with examining the MEGA program. The task force heard testimony on the program at four hearings held throughout October.

Several other portions of the JOBS program are expected to come before the full Senate Thursday.

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